

## **North Channel Wind response to the UREG Consultation on Proposed Electricity Transmission Licence for Transmission Investment LIRIC Limited**

North Channel Wind is wholly owned by SBM Offshore, who have identified Northern Ireland as a key market for deployment of floating wind technology and are active in the region in partnership with NMK Renewables (who are responsible for front end project development work). Following a detailed constraints analysis of Northern Irish territorial waters, we have identified two suitable sites in the North Channel of the Irish Sea. Development work for these sites has commenced, with a target capacity of 1,000MW.

North Channel Wind welcomes the opportunity to respond to UREG on the Consultation on the proposed Electricity Transmission Licence for Transmission Investment LIRIC Limited, as it may have a significant impact in the developing single electricity market (ISEM) on the Island of Ireland over the next decade, and on renewable energy trading within Northern Ireland in particular. Interconnection to small power systems is generally a good idea, providing increased security of supply and access to other markets. However it is also possible that additional interconnection to Northern Ireland could significantly negatively impact the growth and development of the indigenous renewable industry in Northern Ireland which in turn, will impact the NI Executive's renewable energy targets and the NI carbon budget. It is worth stating up-front that North Channel Wind have significant concerns that the key parties including UREG, SONI, NIEN and the Department for Economy (DfE) at this time do not have sufficient detail on how the electricity system will develop over the coming period and how the introduction of greater amounts of interconnection will influence the high levels of constraints and curtailment currently experienced by renewable generators on the system. This will also depend *inter alia* on the final design of the renewable energy support scheme.

**Q1 Do respondents have any objections to the UR's proposal to grant a transmission licence (which includes the terms and conditions set out in a draft of the proposed licence) to TI? If so, please set out the basis and reasons for any such objection.**

NCW would be concerned that the granting of the Licence at an early stage, without a good understanding of the issues noted above would be premature and would send a clear signal of encouragement to TI that may not be justifiable in their development timescale.

**Q2 Do respondents agree with the UR's proposed two-step approach? Please provide any supporting information.**

NCW believe that the 2 step approach is premature and would offer a certain comfort to the developers which may not be justified. Northern Ireland must be mindful that

it has its own targets and a new interconnector such as this could potentially reduce the investment case for indigenous developments both onshore and offshore. It is also possible, and it will not be possible to know until the analysis has been completed if the proposed development will cause additional dispatch down in NI. We believe that this analysis should be conducted before any licence is approved.

**Q3 What are respondents' views pertaining to consumer impact, or any other impact, in granting a licence without specified operational revenue regime licence conditions? Please provide further information which lends support to the views expressed.**

All indications at the moment suggest that the impact on consumers from the importation of electricity from Scotland would potentially mean that higher levels of constraint and curtailment payments would be required to renewable generation in Northern Ireland (depending on final design of the NI renewable energy support scheme), and these costs would be carried by Northern Ireland consumers. Whilst it is possible that there may be a short term cost benefit from the importation of cheaper renewable energy (if available), in the longer term, NI consumers would fail to benefit from the price reductions which will be made available from the developing NI indigenous renewable energy base.

**Q4 What are respondents' views on the risks and benefits of the proposed approach?**

NCW would be concerned that the granting of the Licence at an early stage, without a good understanding of the issues noted above, would be premature and would send a clear signal of encouragement to TI that may not be justifiable in their development timescale.

The clear benefit is that by obtaining a better understanding of how the I/C will trade in the ISEM and how the energy system will develop over the coming decade, then the interconnector's impact on the on electricity consumers can be properly assessed.

**Q5 Are there any additional risks or benefits regarding further interconnection? If so, please provide supporting evidence.**

We feel the risks and benefits are as noted in Q4.

**Q6 Do respondents have any views regarding the anticipated timelines outlined?**

NCW feel that an early study of how the energy system will develop over the coming period will best advise on key elements of the necessary energy policy, such as the use

of interconnection, reduction of constraints and curtailment, introduction of battery storage and development of associated hydrogen markets etc. All of the NI stakeholders need to work together to create a roadmap towards net zero, this will include the system operator and all key departments. In a complex environment like this it is impossible to plan the transmission system without full sight of the renewable pipeline and it's implications for the RE and carbon targets etc.

We would strongly encourage a cross departmental approach to planning for net zero in Northern Ireland as a matter of priority.

We would like to thank UREG for the opportunity to engage on these matters,

Yours faithfully,

***Niamh Kenny***

Project Director

North Channel Wind